Annex to the note verbale dated 1 August 2016 from the Permanent Mission of Malta to the United Nations addressed to the Chair of the Committee

Report of Malta on the implementation of Security Council resolution 2270 (2016) concerning the Democratic People's Republic of Korea

As a State member of the European Union, Malta has implemented the restrictive measures against the Democratic People's Republic of Korea imposed under Security Council resolution 2270 (2016) following their transmittal by the European Union through Council decision 2016/476/CFSP and Commission implementing regulation (EU) 2016/315, by which the following measures were adopted:

- Council decision 2016/476/CFSP of 31 March 2016[1]

  Council decision 2016/476 establishes the commitment of the European Union to implementing all of the measures set out in Security Council resolution 2270 (2016), and provides the basis for European Union-specific accompanying measures within the scope of that resolution, notably:

  - Designation of additional persons and entities (travel ban and asset freeze)
  - Extension of export and import prohibitions: extends export and import prohibitions to any item (except food or medicine) that could contribute to the development of the operational capabilities of the armed forces of the Democratic People's Republic of Korea
  - Requirement to expel diplomats of the Democratic People's Republic of Korea engaged in illicit activities: targets diplomats of the Democratic People's Republic of Korea working on behalf or at the direction of a designated individual or entity, or of an individual or entities assisting in the evasion of sanctions or violating the provisions of Security Council resolutions, including exemptions
  - Requirement to expel foreign nationals involved in illicit activities: targets foreign nationals working on behalf or at the direction of a designated individual or entity, or of an individual or entities assisting in the evasion of sanctions or violating the provision of Security Council resolutions
  - Requirement to close offices of designated entities and expel representatives: member States shall close the representative offices of designated entities and prohibit such entities, as well as individuals or entities acting for or on their behalf, from participating in joint ventures or any other business arrangements
  - Bar. on specialized training, including teaching or training in specific fields

[1] Official Journal of the European Union L 85, 1.4.2016, p. 38.

- Requirement to inspect cargo of the Democratic People's Republic of Korea, to cover the inspection of cargo within or transiting free-trade zones or that is being transported on Democratic People's Republic of Korea-flagged aircraft or maritime vessels. In addition, the obligation to inspect is irrespective of any reasonable grounds to suspect that the cargo contains prohibited items

- Requirement to ban chartering of vessels or aircraft to the Democratic People's Republic of Korea and to deregister vessels owned, operated or crewed by that country: including a prohibition on providing crew services;

- Requirement to prohibit nationals from operating vessels of the Democratic People's Republic of Korea/using the flag of that country

- Ban on flights of any plane suspected of carrying contraband, with the exception of landings for inspection

- Prohibition of entry into ports of any vessel controlled by a designated entity or suspected of engaging in illicit activity

- Export ban on any item that could contribute to the nuclear or ballistic programmes of the Democratic People's Republic of Korea or other weapons-of-mass-destruction programmes

- Ban on export from the Democratic People's Republic of Korea of specified minerals such as coal, iron, iron ore, gold, titanium ore, vanadium ore and rare-earth minerals

- Ban on aviation fuel exports to the Democratic People's Republic of Korea, such as aviation gasoline, naptha-type jet fuel, kerosene-type jet fuel and kerosene-type rocket fuel

- Freeze on assets of government entities or the Worker's Party of Korea associated with illegal programmes or of individuals or entities acting on their behalf

- Prohibition on the opening and operation of new branches, subsidiaries and representative offices of banks of the Democratic People's Republic of Korea

- Obligation to close existing branches, subsidiaries or representative offices of banks of the Democratic People's Republic of Korea within 90 days

- Obligation to close existing representative offices, subsidiaries or banking accounts in the Democratic People's Republic of Korea within 90 days

- Extension of the prohibition to provide financial support for trade with the Democratic People's Republic of Korea: also to cover private financial support for trade if such financial support could contribute to the illicit activities of the Democratic People's Republic of Korea

- Commission implementing regulation (EU) 2016/315 of 4 March 2016, amending Council regulation (EC) No 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea[2]

  In addition to Council decision 2016/476/CFSP, the Council adopted a regulation implementing article 6 (2) of Council regulation (EC) No 329/2007 on restrictive measures against the Democratic People's Republic of Korea in order to legally enforce the asset freeze for the new European Union autonomous designations of persons and entities.

- Council regulation (EU) 2016/682 of 29 April 2016 amending Council regulation (EC) No 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea[3] gives effect to the measures provided for in Council decision 2016/476/CFSP of 31 March 2016.[4]

Such legal instruments of the European Union, once adopted, are directly applicable in the national context of Malta. Commission implementing regulation (EU) 2016/315 and Council regulation (EU) 2016/682 are implemented entirely through the Enforcement of European Union Sanctions (Democratic People's Republic of Korea) Regulations, Subsidiary Legislation 365.72, which establishes penalties for any breach of applicable sanctions. Implementing national authorities were also informed of these additional measures against the Democratic People's Republic of Korea and are kept regularly informed of any updates or amendments thereto.

With specific reference to the arms embargo, any exportation of arms and other military items from Malta is subject to an export authorization from the Maltese competent authorities. Each application is thoroughly checked to ensure that it does not fall afoul of any of the applicable sanctions. All export applications concerning goods bound for countries hit by sanctions are thoroughly examined. Moreover, Maltese customs authorities are on the alert for any prohibited items coming from or bound for countries hit by sanctions, including the Democratic People's Republic of Korea.

The Malta Financial Services Authority has published the text of Security Council resolution 2270 (2016) and the corresponding European Union regulation on its website and has also issued a notice to draw the attention of all financial services licence-holders to these measures. No need has arisen to date for freezing action in respect of these sanctions regulations by the local financial institutions.

From a shipping perspective, reference is made to Merchant Shipping Notice 125 which draws the attention of the shipping community to the applicable restrictive measures and exhorts their application of due diligence when embarking on any kind of transactions with entities linked to the States against which restrictive measures are in place.

Moreover, the Ministry of Finance conducts routine checks in relation to asset tracing in connection with designated individuals and/or entities.

In addition to the implementation of Security Council resolution 2270 (2016), the European Union also approved a number of autonomous sanctions against the

[2] Official Journal of the European Union L 60, 5.3.2016, p. 62.
[3] Official Journal of the European Union L 117, 3.5.2016, p. 1.
[4] Official Journal of the European Union L 85, 1.4.2016, p. 38.

Democratic People's Republic of Korea. Through Council decision 2016/785 of 19 May 2016 amending decision 2013/183 concerning restrictive measures against the Democratic People's Republic of Korea, the Council added 18 persons and one entity to the list of those subject to European Union restrictive measures against the Democratic People's Republic of Korea and through Council decision 2016/849 of 27 May 2016, the Council adopted additional restrictive measures which complemented and reinforced the sanctions regime imposed by Security Council resolutions. Subsidiary Legislation 365.72 implements these additional European Union autonomous measures as well.